Highly Confidential

FY05-06 P&L

Summary

	Monthly 2005 Actuals											
	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05	Oct 05	Nov 05	Dec 05
Revenue												
Network Banner Ads	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$15,057
Direct Sales	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$15,057**
Cost of Goods Sold												
Web Hosting	$0	$178	$119	$308	$417	$1,133	$6,497	$5,897	$7,251	$16,852	$131,949	$212,747
Data Center Rent	-	-	-	-	-	-	-	-	-	-	-	-
Data Center Depreciation	-	-	-	-	-	-	-	-	-	-	-	-
Datacenter Allocation	-	-	-	-	-	-	-	-	-	-	-	-
Ad Serving Costs	-	-	-	-	-	-	-	-	-	-	-	-
Total COGS	**$0**	**$178**	**$119**	**$308**	**$417**	**$1,133**	**$6,497**	**$5,897**	**$7,251**	**$16,852**	**$131,949**	**$212,747**
Gross Profit	**$0**	**($178)**	**($119)**	**($308)**	**($417)**	**($1,133)**	**($6,497)**	**($5,897)**	**($7,251)**	**($16,852)**	**($131,949)**	**($197,690)**
Operating Expenses												
Compensation & Benefits	$0	$0	$0	$0	$0	$0	$0	$0	$0	$66,598	$87,055	$107,820
Travel & Business Expenses	-	-	-	-	-	-	-	-	-	-	-	733
Insurance	-	-	-	-	-	-	-	-	-	-	492	1,424
Equipment Expenses	-	-	-	-	-	-	-	-	-	758	1,999	3,384
Communications Expenses	-	-	-	-	-	-	-	-	-	55	41	3,550
Marketing Expenses	-	-	-	-	-	-	-	-	17,738	-	22,926	21,473
Professional Fees	-	-	-	-	-	-	-	-	-	8,925	15,750	13,251
Facilities Expense	-	-	-	-	-	-	-	-	-	404	9,519	12,293
Employee Related Expenses	-	-	-	-	-	-	-	-	-	-	-	2,838
Bank & Finance Charges	-	-	-	-	-	-	-	-	-	95	173	406
Other Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	88
Total Operating Expense	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$17,738**	**$76,834**	**$137,955**	**$167,259**
Net Ordinary Income	**$0**	**($178)**	**($119)**	**($308)**	**($417)**	**($1,133)**	**($6,497)**	**($5,897)**	**($24,989)**	**($93,686)**	**($269,904)**	**($364,950)**
Other Income/Expense												
Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$320	$10,203
Interest Expense	-	-	-	-	-	-	-	-	-	(296)	-	-
Other Expense	-	-	-	-	-	-	-	-	-	-	-	-
State Income Tax	-	-	-	-	-	-	-	-	-	-	-	-
Net Other Income	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($296)**	**$320**	**$10,203**
Net Income	**$0**	**($178)**	**($119)**	**($308)**	**($417)**	**($1,133)**	**($6,497)**	**($5,897)**	**($24,989)**	**($93,982)**	**($269,583)**	**($354,747)**

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Highly Confidential

FY05-06 P&L

Summary

	Monthly 2006 Actuals							
	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06	Aug 06
Revenue								
Network Banner Ads	$133,091	$131,468	$22,117	$179,311	$404,032	$627,146	$519,719	$829,050
Direct Sales	-	-	-	20,000	16,710	125,000	352,768	1,667,986
Total Revenue	**$133,091**	**$131,468**	**$22,117**	**$199,311**	**$420,742**	**$752,146**	**$872,487**	**$2,497,036**
Cost of Goods Sold								
Web Hosting	$397,643	$525,138	$657,827	$713,494	$680,190	$980,342	$951,870	$1,176,391
Data Center Rent	-	70,397	38,081	52,773	106,738	111,022	168,082	214,198
Data Center Depreciation	-	-	-	41,802	59,368	59,368	108,357	130,725
Datacenter Allocation	-	-	-	10,000	22,499	22,499	22,499	31,873
Ad Serving Costs	-	-	-	-	-	-	63	368,302
Total COGS	**$397,643**	**$595,535**	**$695,909**	**$818,069**	**$868,794**	**$1,173,232**	**$1,250,870**	**$1,921,489**
Gross Profit	**($264,552)**	**($464,066)**	**($673,792)**	**($618,758)**	**($448,052)**	**($421,086)**	**($378,383)**	**$575,547**
Operating Expenses								
Compensation & Benefits	$147,687	$197,137	$222,504	$248,261	$251,090	$316,083	$518,294	$538,578
Travel & Business Expenses	100	1,784	8,253	4,058	7,201	9,686	15,608	19,989
Insurance	1,270	1,270	1,270	1,270	1,270	1,270	1,270	1,270
Equipment Expenses	2,430	3,412	4,792	3,548	1,981	3,776	2,905	2,715
Communications Expenses	1,846	2,941	3,017	2,722	3,526	3,436	7,262	5,374
Marketing Expenses	12,000	43	15,091	8,223	13,432	7,814	14,167	14,784
Professional Fees	34,785	27,472	27,674	39,721	32,840	90,147	50,354	61,366
Facilities Expense	12,153	13,605	14,665	14,918	15,319	18,365	20,301	20,160
Employee Related Expenses	1,126	1,050	1,883	2,530	4,431	9,247	9,373	5,539
Bank & Finance Charges	322	374	251	897	906	1,475	1,677	1,442
Other Operating Expenses	394	1,463	1,739	1,949	2,386	2,522	2,912	3,936
Total Operating Expense	**$214,114**	**$250,551**	**$301,139**	**$328,098**	**$334,383**	**$463,820**	**$644,122**	**$675,152**
Net Ordinary Income	**($478,665)**	**($714,617)**	**($974,931)**	**($946,856)**	**($782,435)**	**($884,906)**	**($1,022,505)**	**($99,606)**
Other Income/Expense								
Interest Income	$9,557	$9,717	$10,489	$25,452	$23,562	$19,757	$19,477	$16,264
Interest Expense	-	-	(11,416)	-	-	-	(10,825)	(25,194)
Other Expense	-	-	(0)	-	-	-	-	-
State Income Tax	-	(411)	(800)	-	-	-	-	-
Net Other Income	**$9,557**	**$9,306**	**($1,727)**	**$25,452**	**$23,562**	**$19,757**	**$8,651**	**($8,930)**
Net Income	**($469,108)**	**($705,311)**	**($976,658)**	**($921,404)**	**($758,874)**	**($865,150)**	**($1,013,854)**	**($108,536)**

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FY05-06 P&L

Details

	Monthly 2005 Actuals								
	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05
Revenue									
Network Banner Ads	$0	$0	$0	$0	$0	$0	$0	$0	$0
Direct Sales	-	-	-	-	-	-	-	-	-
Total Revenue	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Cost of Goods Sold									
Web Hosting	$0	$178	$119	$308	$417	$1,133	$6,497	$5,897	$7,251
Data Center Rent	-	-	-	-	-	-	-	-	-
Data Center Depreciation	-	-	-	-	-	-	-	-	-
Datacenter Allocation	-	-	-	-	-	-	-	-	-
Ad Serving Costs	-	-	-	-	-	-	-	-	-
Total COGS	**$0**	**$178**	**$119**	**$308**	**$417**	**$1,133**	**$6,497**	**$5,897**	**$7,251**
Gross Profit	**$0**	**($178)**	**($119)**	**($308)**	**($417)**	**($1,133)**	**($6,497)**	**($5,897)**	**($7,251)**
Expenses — Compensation & Benefits									
Salaries	$0	$0	$0	$0	$0	$0	$0	$0	$0
Officer Compensation	-	-	-	-	-	-	-	-	-
Contract Labor	-	-	-	-	-	-	-	-	-
Commissions	-	-	-	-	-	-	-	-	-
Severance	-	-	-	-	-	-	-	-	-
Employee Benefits	-	-	-	-	-	-	-	-	-
Employee Goodwill	-	-	-	-	-	-	-	-	-
Employee Relocation	-	-	-	-	-	-	-	-	-
Employee Bonus	-	-	-	-	-	-	-	-	-
Vacation Expense	-	-	-	-	-	-	-	-	-
Payroll Taxes	-	-	-	-	-	-	-	-	-
Total Compensation & Benefits	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenses — Travel & Business									
Airfare	$0	$0	$0	$0	$0	$0	$0	$0	$0
Lodging	-	-	-	-	-	-	-	-	-
Meals	-	-	-	-	-	-	-	-	-
Entertainment	-	-	-	-	-	-	-	-	-
Ground Transportation	-	-	-	-	-	-	-	-	-
Car Rental	-	-	-	-	-	-	-	-	-
Mileage Reimbursement	-	-	-	-	-	-	-	-	-
Other Travel	-	-	-	-	-	-	-	-	-
Total Travel & Business Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenses — Insurance									
General Liability	$0	$0	$0	$0	$0	$0	$0	$0	$0

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Details

	Oct 05	Nov 05	Dec 05
Revenue			
Network Banner Ads	$0	$0	$15,057
Direct Sales	-	-	-
Total Revenue	**$0**	**$0**	**$15,057**
Cost of Goods Sold			
Web Hosting	$16,852	$131,949	$212,747
Data Center Rent	-	-	-
Data Center Depreciation	-	-	-
Datacenter Allocation	-	-	-
Ad Serving Costs	-	-	-
Total COGS	**$16,852**	**$131,949**	**$212,747**
Gross Profit	**($16,852)**	**($131,949)**	**($197,690)**
Expenses — Compensation & Benefits			
Salaries	$39,230	$59,106	$76,667
Officer Compensation	16,667	16,667	16,667
Contract Labor	600	300	600
Commissions	-	-	-
Severance	-	-	-
Employee Benefits	592	-	750
Employee Goodwill	-	-	-
Employee Relocation	-	-	-
Employee Bonus	-	-	-
Vacation Expense	3,165	4,257	5,466
Payroll Taxes	6,344	6,726	7,671
Total Compensation & Benefits	**$66,598**	**$87,055**	**$107,820**
Expenses — Travel & Business			
Airfare	$0	$0	$0
Lodging	-	-	-
Meals	-	-	-
Entertainment	-	-	733
Ground Transportation	-	-	-
Car Rental	-	-	-
Mileage Reimbursement	-	-	-
Other Travel	-	-	-
Total Travel & Business Expenses	**$0**	**$0**	**$733**
Expenses — Insurance			
General Liability	$0	$0	$309

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Details

	Monthly 2006 Actuals						
	Jan 06	**Feb 06**	**Mar 06**	**Apr 06**	**May 06**	**Jun 06**	**Jul 06**
Revenue							
Network Banner Ads	$133,091	$131,468	$22,117	$179,311	$404,032	$627,146	$519,719
Direct Sales	-	-	-	20,000	16,710	125,000	352,768
Total Revenue	**$133,091**	**$131,468**	**$22,117**	**$199,311**	**$420,742**	**$752,146**	**$872,487**
Cost of Goods Sold							
Web Hosting	$397,643	$525,138	$657,827	$713,494	$680,190	$980,342	$951,870
Data Center Rent	-	70,397	38,081	52,773	106,738	111,022	168,082
Data Center Depreciation	-	-	-	41,802	59,368	59,368	108,357
Datacenter Allocation	-	-	-	10,000	22,499	22,499	22,499
Ad Serving Costs	-	-	-	-	-	-	63
Total COGS	**$397,643**	**$595,535**	**$695,909**	**$818,069**	**$868,794**	**$1,173,232**	**$1,250,870**
Gross Profit	**($264,552)**	**($464,066)**	**($673,792)**	**($618,758)**	**($448,052)**	**($421,086)**	**($378,383)**
Expenses — Compensation & Benefits							
Salaries	$105,955	$148,792	$167,692	$178,438	$184,089	$234,812	$345,763
Officer Compensation	16,667	16,667	16,667	16,667	16,667	16,667	16,667
Contract Labor	900	940	3,244	11,927	6,950	11,211	15,982
Commissions	-	-	-	-	-	-	55,333
Severance	-	2,389	-	1,361	1,417	-	-
Employee Benefits	4,430	5,875	9,329	11,651	10,956	14,416	13,845
Employee Goodwill	-	-	50	-	-	-	-
Employee Relocation	-	-	-	-	-	-	4,072
Employee Bonus	-	-	-	-	-	-	10,000
Vacation Expense	5,757	8,108	10,343	11,645	12,935	15,411	22,317
Payroll Taxes	13,978	14,365	15,179	16,573	18,077	23,566	34,314
Total Compensation & Benefits	**$147,687**	**$197,137**	**$222,504**	**$248,261**	**$251,090**	**$316,083**	**$518,294**
Expenses — Travel & Business							
Airfare	$0	$1,135	$1,503	$2,179	$2,546	$2,950	$8,632
Lodging	-	507	5,918	871	2,697	2,671	2,954
Meals	-	44	188	245	276	2,318	1,534
Entertainment	-	-	-	-	415	-	-
Ground Transportation	20	53	407	314	676	1,330	2,184
Car Rental	-	-	238	448	592	416	303
Mileage Reimbursement	80	-	-	-	-	-	-
Other Travel	-	45	-	-	-	-	-
Total Travel & Business Expenses	**$100**	**$1,784**	**$8,253**	**$4,058**	**$7,201**	**$9,686**	**$15,608**
Expenses — Insurance							
General Liability	$154	$154	$154	$154	$154	$154	$154

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Details

	Aug 06
Revenue	
Network Banner Ads	$829,050
Direct Sales	1,667,986
Total Revenue	**$2,497,036**
Cost of Goods Sold	
Web Hosting	$1,176,391
Data Center Rent	214,198
Data Center Depreciation	130,725
Datacenter Allocation	31,873
Ad Serving Costs	368,302
Total COGS	**$1,921,489**
Gross Profit	**$575,547**
Expenses — Compensation & Benefits	
Salaries	$393,495
Officer Compensation	16,667
Contract Labor	8,591
Commissions	55,333
Severance	-
Employee Benefits	13,613
Employee Goodwill	-
Employee Relocation	-
Employee Bonus	-
Vacation Expense	14,879
Payroll Taxes	35,999
Total Compensation & Benefits	**$538,578**
Expenses — Travel & Business	
Airfare	$4,537
Lodging	7,852
Meals	1,264
Entertainment	-
Ground Transportation	5,281
Car Rental	1,056
Mileage Reimbursement	-
Other Travel	-
Total Travel & Business Expenses	**$19,989**
Expenses — Insurance	
General Liability	$154

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Details

	Monthly 2005 Actuals								
	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05
Workers Compensation	-	-	-	-	-	-	-	-	-
Directors & Officers	-	-	-	-	-	-	-	-	-
Total Insurance	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenses — Equipment									
Computer Equipment and Accessories	$0	$0	$0	$0	$0	$0	$0	$0	$0
Software	-	-	-	-	-	-	-	-	-
Repairs & Maintenance	-	-	-	-	-	-	-	-	-
Office Equipment & Furniture	-	-	-	-	-	-	-	-	-
Total Equipment Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

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Details

	Oct 05	Nov 05	Dec 05
Workers Compensation	-	492	492
Directors & Officers	-	-	624
Total Insurance	**$0**	**$492**	**$1,424**
Expenses — Equipment			
Computer Equipment and Accessories	$0	$528	$84
Software	758	-	167
Repairs & Maintenance	-	-	-
Office Equipment & Furniture	-	1,471	3,133
Total Equipment Expenses	**$758**	**$1,999**	**$3,384**

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Details

	Monthly 2006 Actuals						
	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Workers Compensation	492	492	492	492	492	492	492
Directors & Officers	624	624	624	624	624	624	624
Total Insurance	**$1,270**	**$1,270**	**$1,270**	**$1,270**	**$1,270**	**$1,270**	**$1,270**
Expenses — Equipment							
Computer Equipment and Accessories	$669	$1,063	$1,216	$1,256	$722	$2,548	$1,005
Software	167	317	1,579	773	1,239	1,022	1,022
Repairs & Maintenance	345	-	-	-	-	-	-
Office Equipment & Furniture	1,249	2,032	1,998	1,519	20	206	877
Total Equipment Expenses	**$2,430**	**$3,412**	**$4,792**	**$3,548**	**$1,981**	**$3,776**	**$2,905**

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Details

	[redacted] Aug 06
Workers Compensation	492
Directors & Officers	624
Total Insurance	**$1,270**
Expenses — Equipment	
Computer Equipment and Accessories	$938
Software	1,704
Repairs & Maintenance	-
Office Equipment & Furniture	73
Total Equipment Expenses	**$2,715**

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Details

		Monthly 2005 Actuals								
		Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05
Expenses — Communications										
Telephone										
	Phone Usage	$0	$0	$0	$0	$0	$0	$0	$0	$0
	Cell Phones & Pagers	-	-	-	-	-	-	-	-	-
	Teleconferencing	-	-	-	-	-	-	-	-	-
	Telephone - Other	-	-	-	-	-	-	-	-	-
Subtotal Telephone		$0	$0	$0	$0	$0	$0	$0	$0	$0
Postage		-	-	-	-	-	-	-	-	-
Internet Connectivity		-	-	-	-	-	-	-	-	-
Courier & Overnight Shipping		-	-	-	-	-	-	-	-	-
Printing & Reproduction		-	-	-	-	-	-	-	-	-
Total Communications Expenses		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenses — Marketing										
Trade Shows		$0	$0	$0	$0	$0	$0	$0	$0	$16,500
Promotion		-	-	-	-	-	-	-	-	1,238
Public Relations		-	-	-	-	-	-	-	-	-
Market Research		-	-	-	-	-	-	-	-	-
Marketing Supplies		-	-	-	-	-	-	-	-	-
Total Marketing Expenses		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$17,738**
Expenses — Professional Fees										
Legal		$0	$0	$0	$0	$0	$0	$0	$0	$0
Accounting		-	-	-	-	-	-	-	-	-
Consulting		-	-	-	-	-	-	-	-	-
Recruiting Consultant		-	-	-	-	-	-	-	-	-
Total Professional Fees		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenses — Facilities										
Rent		$0	$0	$0	$0	$0	$0	$0	$0	$0
Security		-	-	-	-	-	-	-	-	-
Utilities		-	-	-	-	-	-	-	-	-
Office Supplies		-	-	-	-	-	-	-	-	-
Office Repairs & Maintenance		-	-	-	-	-	-	-	-	-
Licenses & Permits		-	-	-	-	-	-	-	-	-
Janitorial		-	-	-	-	-	-	-	-	-
Property Taxes		-	-	-	-	-	-	-	-	-
Total Facilities Expense		**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Expenses — Employee Related										
Recruiting Expense										
	Job Posting	$0	$0	$0	$0	$0	$0	$0	$0	$0

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Details

		Oct 05	Nov 05	Dec 05
Expenses — Communications				
Telephone				
	Phone Usage	$0	$0	$563
	Cell Phones & Pagers	-	-	164
	Teleconferencing	-	-	-
	Telephone - Other	-	-	-
Subtotal Telephone		$0	$0	$727
Postage		-	41	34
Internet Connectivity		-	-	2,226
Courier & Overnight Shipping		55	-	-
Printing & Reproduction		-	-	563
Total Communications Expenses		**$55**	**$41**	**$3,550**
Expenses — Marketing				
Trade Shows		$0	$0	$0
Promotion		-	8,086	6,473
Public Relations		-	14,840	15,000
Market Research		-	-	-
Marketing Supplies		-	-	-
Total Marketing Expenses		**$0**	**$22,926**	**$21,473**
Expenses — Professional Fees				
Legal		$300	$15,000	$11,476
Accounting		2,625	750	1,775
Consulting		6,000	-	-
Recruiting Consultant		-	-	-
Total Professional Fees		**$8,925**	**$15,750**	**$13,251**
Expenses — Facilities				
Rent		$0	$9,038	$9,038
Security		-	-	-
Utilities		-	331	328
Office Supplies		404	-	2,619
Office Repairs & Maintenance		-	150	24
Licenses & Permits		-	-	-
Janitorial		-	-	285
Property Taxes		-	-	-
Total Facilities Expense		**$404**	**$9,519**	**$12,293**
Expenses — Employee Related				
Recruiting Expense				
	Job Posting	$0	$0	$0

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FY05-06 P&L

Details

		Monthly 2006 Actuals						
		Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Expenses — Communications								
Telephone								
	Phone Usage	$182	$190	$743	$785	$1,608	$931	$2,030
	Cell Phones & Pagers	150	1,318	627	603	411	1,038	1,750
	Teleconferencing	-	-	-	-	-	-	-
	Telephone - Other	198	-	-	-	-	-	-
Subtotal Telephone		$530	$1,508	$1,370	$1,388	$2,020	$1,969	$3,780
Postage		6	249	272	124	166	149	1,456
Internet Connectivity		1,125	1,185	1,375	1,211	1,341	1,318	2,026
Courier & Overnight Shipping		-	-	-	-	-	-	-
Printing & Reproduction		185	-	-	-	-	-	-
Total Communications Expenses		**$1,846**	**$2,941**	**$3,017**	**$2,722**	**$3,526**	**$3,436**	**$7,262**
Expenses — Marketing								
Trade Shows		$0	$0	$11,085	$0	$8,420	$1,191	$0
Promotion		-	-	1,581	1,224	-	5,000	-
Public Relations		12,000	43	1,875	5,450	5,000	1,623	5,000
Market Research		-	-	550	299	12	-	9,167
Marketing Supplies		-	-	-	1,250	-	-	-
Total Marketing Expenses		**$12,000**	**$43**	**$15,091**	**$8,223**	**$13,432**	**$7,814**	**$14,167**
Expenses — Professional Fees								
Legal		$32,785	$25,922	$25,774	$37,971	$29,190	$75,647	$35,754
Accounting		2,000	1,550	1,600	1,750	3,650	2,000	1,100
Consulting		-	-	300	-	-	-	-
Recruiting Consultant		-	-	-	-	-	12,500	13,500
Total Professional Fees		**$34,785**	**$27,472**	**$27,674**	**$39,721**	**$32,840**	**$90,147**	**$50,354**
Expenses — Facilities								
Rent		$9,038	$9,038	$9,038	$9,038	$9,038	$9,038	$9,038
Security		-	-	-	-	4,103	5,198	4,437
Utilities		330	1,659	991	973	721	635	1,656
Office Supplies		1,523	2,082	4,331	4,258	845	2,788	4,252
Office Repairs & Maintenance		836	214	(403)	85	85	85	85
Licenses & Permits		142	142	142	142	142	142	142
Janitorial		285	470	565	421	385	480	522
Property Taxes		-	-	-	-	-	-	169
Total Facilities Expense		**$12,153**	**$13,605**	**$14,665**	**$14,918**	**$15,319**	**$18,365**	**$20,301**
Expenses — Employee Related								
Recruiting Expense								
	Job Posting	$75	$225	$150	$265	$0	$0	$0

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FY05-06 P&L

Details

		Aug 06
Expenses — Communications		
Telephone		
	Phone Usage	$1,706
	Cell Phones & Pagers	1,954
	Teleconferencing	147
	Telephone - Other	-
Subtotal Telephone		$3,807
Postage		248
Internet Connectivity		1,318
Courier & Overnight Shipping		-
Printing & Reproduction		-
Total Communications Expenses		**$5,374**
Expenses — Marketing		
Trade Shows		$620
Promotion		3,862
Public Relations		1,000
Market Research		9,167
Marketing Supplies		135
Total Marketing Expenses		**$14,784**
Expenses — Professional Fees		
Legal		$46,217
Accounting		1,550
Consulting		13,599
Recruiting Consultant		-
Total Professional Fees		**$61,366**
Expenses — Facilities		
Rent		$9,038
Security		5,382
Utilities		822
Office Supplies		4,172
Office Repairs & Maintenance		85
Licenses & Permits		142
Janitorial		519
Property Taxes		-
Total Facilities Expense		**$20,160**
Expenses — Employee Related		
Recruiting Expense		
	Job Posting	$229

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FY05-06 P&L

Details

	Monthly 2005 Actuals								
	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05
Recruiting Meals	-	-	-	-	-	-	-	-	-
Subtotal Recruiting Expense	$0	$0	$0	$0	$0	$0	$0	$0	$0
Dues and Subscriptions	-	-	-	-	-	-	-	-	-
Training & Seminars	-	-	-	-	-	-	-	-	-
Reference Materials	-	-	-	-	-	-	-	-	-
Employee Relations	-	-	-	-	-	-	-	-	-
Employee Office Meals	-	-	-	-	-	-	-	-	-
Total Employee Related Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**

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Details

	Oct 05	Nov 05	Dec 05
Recruiting Meals	-	-	-
Subtotal Recruiting Expense	$0	$0	$0
Dues and Subscriptions	-	-	-
Training & Seminars	-	-	-
Reference Materials	-	-	-
Employee Relations	-	-	-
Employee Office Meals	-	-	2,838
Total Employee Related Expenses	**$0**	**$0**	**$2,838**

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Details

	Monthly 2006 Actuals						
	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Recruiting Meals	-	-	26	-	73	-	-
Subtotal Recruiting Expense	$75	$225	$176	$265	$73	$0	$0
Dues and Subscriptions	-	-	135	-	417	417	417
Training & Seminars	150	-	-	1,145	1,495	-	500
Reference Materials	-	-	-	5	41	-	-
Employee Relations	220	-	360	-	-	-	-
Employee Office Meals	681	825	1,211	1,115	2,405	8,830	8,456
Total Employee Related Expenses	**$1,126**	**$1,050**	**$1,883**	**$2,530**	**$4,431**	**$9,247**	**$9,373**

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Details

	Aug 06
Recruiting Meals	24
Subtotal Recruiting Expense	$253
Dues and Subscriptions	417
Training & Seminars	-
Reference Materials	61
Employee Relations	-
Employee Office Meals	4,808
Total Employee Related Expenses	**$5,539**

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FY05-06 P&L

Details

	Monthly 2005 Actuals								
	Jan 05	Feb 05	Mar 05	Apr 05	May 05	Jun 05	Jul 05	Aug 05	Sep 05
Expenses — Bank & Finance Charges									
Bank Service Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0
Finance Charges	-	-	-	-	-	-	-	-	-
Payroll Preparation Fees	-	-	-	-	-	-	-	-	-
Bank & Finance Charges - Other	-	-	-	-	-	-	-	-	-
Total Bank & Finance Charges	$0	$0	$0	$0	$0	$0	$0	$0	$0
Other Operating Expenses									
Depreciation	$0	$0	$0	$0	$0	$0	$0	$0	$0
Charitable Contribution	-	-	-	-	-	-	-	-	-
Miscellaneous Expenses	-	-	-	-	-	-	-	-	-
Total Other Operating Expenses	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Expense	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$17,738**
Net Ordinary Income	**$0**	**($178)**	**($119)**	**($308)**	**($417)**	**($1,133)**	**($6,497)**	**($5,897)**	**($24,989)**
Other Income/Expense									
Interest Income	$0	$0	$0	$0	$0	$0	$0	$0	$0
Interest Expense	-	-	-	-	-	-	-	-	-
Other Expense	-	-	-	-	-	-	-	-	-
State Income Tax	-	-	-	-	-	-	-	-	-
Net Other Income	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Net Income	**$0**	**($178)**	**($119)**	**($308)**	**($417)**	**($1,133)**	**($6,497)**	**($5,897)**	**($24,989)**

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FY05-06 P&L

Details

	Oct 05	Nov 05	Dec 05
Expenses — Bank & Finance Charges			
Bank Service Charges	$95	$4	$49
Finance Charges	-	-	180
Payroll Preparation Fees	-	169	177
Bank & Finance Charges - Other	-	-	-
Total Bank & Finance Charges	$95	$173	$406
Other Operating Expenses			
Depreciation	$0	$0	$88
Charitable Contribution	-	-	-
Miscellaneous Expenses	-	-	-
Total Other Operating Expenses	**$0**	**$0**	**$88**
Total Expense	**$76,834**	**$137,955**	**$167,259**
Net Ordinary Income	**($93,686)**	**($269,904)**	**($364,950)**
Other Income/Expense			
Interest Income	$0	$320	$10,203
Interest Expense	(296)	-	-
Other Expense	-	-	-
State Income Tax	-	-	-
Net Other Income	**($296)**	**$320**	**$10,203**
Net Income	**($93,982)**	**($269,583)**	**($354,747)**

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FY05-06 P&L

Details

	Monthly 2006 Actuals						
	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
Expenses — Bank & Finance Charges							
Bank Service Charges	$51	$48	$0	$642	$636	$582	$582
Finance Charges	-	-	-	-	-	-	-
Payroll Preparation Fees	270	326	251	255	271	893	1,050
Bank & Finance Charges - Other	-	-	-	-	-	-	45
Total Bank & Finance Charges	$322	$374	$251	$897	$906	$1,475	$1,677
Other Operating Expenses							
Depreciation	$394	$1,188	$1,739	$1,949	$2,386	$2,522	$2,912
Charitable Contribution	-	250	-	-	-	-	-
Miscellaneous Expenses	-	25	-	-	-	-	-
Total Other Operating Expenses	**$394**	**$1,463**	**$1,739**	**$1,949**	**$2,386**	**$2,522**	**$2,912**
Total Expense	**$214,114**	**$250,551**	**$301,139**	**$328,098**	**$334,383**	**$463,820**	**$644,122**
Net Ordinary Income	**($478,665)**	**($714,617)**	**($974,931)**	**($946,856)**	**($782,435)**	**($884,906)**	**($1,022,505)**
Other Income/Expense							
Interest Income	$9,557	$9,717	$10,489	$25,452	$23,562	$19,757	$19,477
Interest Expense	-	-	(11,416)	-	-	-	(10,825)
Other Expense	-	-	(0)	-	-	-	-
State Income Tax	-	(411)	(800)	-	-	-	-
Net Other Income	**$9,557**	**$9,306**	**($1,727)**	**$25,452**	**$23,562**	**$19,757**	**$8,651**
Net Income	**($469,108)**	**($705,311)**	**($976,658)**	**($921,404)**	**($758,874)**	**($865,150)**	**($1,013,854)**

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FY05-06 P&L

Details

	[redacted] Aug 06
Expenses — Bank & Finance Charges	
Bank Service Charges	$582
Finance Charges	-
Payroll Preparation Fees	860
Bank & Finance Charges - Other	-
Total Bank & Finance Charges	$1,442
Other Operating Expenses	
Depreciation	$3,936
Charitable Contribution	-
Miscellaneous Expenses	-
Total Other Operating Expenses	**$3,936**
Total Expense	**$675,152**
Net Ordinary Income	**($99,606)**
Other Income/Expense	
Interest Income	$16,264
Interest Expense	(25,194)
Other Expense	-
State Income Tax	-
Net Other Income	**($8,930)**
Net Income	**($108,536)**

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FY 2006

Balance Sheet

		Monthly 2006 Actuals						
		Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
ASSETS								
Checking / Savings								
Checking - SVB		($1,608)	$183,224	$5,996,188	$58,064	$5,016	($17,137)	($10,930)
Checking (Old)		18,327	-	-	-	-	-	-
Money Market		2,460,524	3,570,081	2,079,798	6,445,287	5,295,738	5,325,300	4,148,057
Total Checking / Savings		$2,477,243	$3,753,304	$8,075,985	$6,503,351	$5,300,755	$5,308,163	$4,137,127
Accounts Receivable								
Accounts Receivable		$137,811	$141,211	$71,584	$229,456	$470,387	$869,034	$1,151,345
Accrued AR		-	-	-	-	-	75,000	41,321
Interest Receivable		9,557	9,717	10,489	25,452	23,562	19,757	19,477
Total Accounts Receivable		$147,368	$150,928	$82,073	$254,907	$493,949	$963,791	$1,212,143
Other Current Assets								
Prepaid Expenses								
	Prepaid Product Cost	$0	$213,007	$239,298	$124,544	$268,424	$165,977	$466,117
	Prepaid Insurance	12,054	10,784	9,514	8,244	6,974	5,704	4,434
	Prepaid Rent	9,038	9,038	9,038	9,038	9,038	33,158	9,038
	Prepaid License	3,228	8,394	8,880	8,011	16,533	14,810	16,082
	Other Prepaid Expense	27,890	36,029	27,083	32,327	36,274	63,241	81,771
Subtotal Prepaid Expenses		$52,210	$277,253	$293,813	$182,163	$337,242	$282,890	$577,442
Restricted Cash		-	-	-	-	-	-	-
Undeposited Funds		6,701	6,701	15,000	-	-	-	-
Total Other Current Assets		$58,911	$283,954	$308,813	$182,163	$337,242	$282,890	$577,442
Total Current Assets		**$2,683,522**	**$4,188,186**	**$8,466,871**	**$6,940,422**	**$6,131,947**	**$6,554,844**	**$5,926,711**
Fixed Assets								
Computer Equipment		$31,631	$51,015	$58,589	$66,968	$71,855	$82,387	$119,268
Office Equipment		-	-	-	999	999	999	999
Furniture and Fixtures		4,620	4,620	5,671	5,671	5,671	8,303	8,303
Software		-	-	-	-	-	2,390	2,390
Leasehold Improvements		3,812	3,812	3,812	5,929	5,929	5,929	5,929
Construction in Progress		6,752	12,365	1,146,170	1,504,872	2,137,251	3,886,580	4,669,026
Constrct in Prgrss - NO LOAN		-	-	-	-	-	14,276	37,060
Total Fixed Assets		$46,815	$71,813	$1,214,242	$1,584,440	$2,221,706	$4,000,864	$4,842,974
Depreciation / Amortization								
Computer Equipment		($430)	($1,309)	($2,726)	($4,353)	($6,213)	($8,209)	($10,498)
Office Equipment		-	-	-	-	(28)	(56)	(83)
Furniture and Fixtures		(52)	(107)	(175)	(242)	(310)	(377)	(476)

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FY 2006

Balance Sheet

		Aug 06	9/19/06
ASSETS			
Checking / Savings			
Checking - SVB		($13,442)	$203,169
Checking (Old)		-	-
Money Market		2,809,534	2,809,534
Total Checking / Savings		$2,796,092	$3,012,703
Accounts Receivable			
Accounts Receivable		$3,134,723	$2,725,524
Accrued AR		-	-
Interest Receivable		16,264	16,264
Total Accounts Receivable		$3,150,987	$2,741,787
Other Current Assets			
Prepaid Expenses			
	Prepaid Product Cost	$465,058	$497,720
	Prepaid Insurance	3,164	3,164
	Prepaid Rent	9,038	9,038
	Prepaid License	18,010	18,010
	Other Prepaid Expense	97,974	190,750
Subtotal Prepaid Expenses		$593,244	$718,682
Restricted Cash		200,000	200,000
Undeposited Funds		68,370	232,786
Total Other Current Assets		$861,614	$1,151,468
Total Current Assets		**$6,808,693**	**$6,905,958**
Fixed Assets			
Computer Equipment		$121,554	$121,554
Office Equipment		999	999
Furniture and Fixtures		8,303	8,303
Software		2,390	2,390
Leasehold Improvements		5,929	5,929
Construction in Progress		4,669,026	4,669,026
Constrct in Prgrss - NO LOAN		37,060	37,060
Total Fixed Assets		$4,845,261	$4,845,261
Depreciation / Amortization			
Computer Equipment		($13,811)	($13,811)
Office Equipment		(111)	(111)
Furniture and Fixtures		(543)	(543)

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FY 2006

Balance Sheet

	Monthly 2006 Actuals						
	Jan 06	**Feb 06**	**Mar 06**	**Apr 06**	**May 06**	**Jun 06**	**Jul 06**
Software	-	-	-	-	-	-	(66)
Leasehold Improvements	-	(254)	(508)	(762)	(1,193)	(1,624)	(2,054)
Data Center	-	-	-	(41,802)	(101,170)	(160,538)	(268,895)
Total Depreciation / Amortization	($482)	($1,670)	($3,409)	($47,160)	($108,914)	($170,804)	($282,073)
Net Fixed Assets	**$46,333**	**$70,143**	**$1,210,834**	**$1,537,280**	**$2,112,792**	**$3,830,060**	**$4,560,901**
Other Assets — Deposits	$7,500	$7,500	$7,500	$7,500	$7,500	$7,500	$7,500
TOTAL ASSETS	**$2,737,355**	**$4,265,829**	**$9,685,204**	**$8,485,201**	**$8,252,238**	**$10,392,404**	**$10,495,113**

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FY 2006

Balance Sheet

	Aug 06	9/19/06
Software	(165)	(165)
Leasehold Improvements	(2,485)	(2,485)
Data Center	(399,620)	(399,620)
Total Depreciation / Amortization	($416,734)	($416,734)
Net Fixed Assets	**$4,428,527**	**$4,428,527**
Other Assets — Deposits	$7,500	$7,500
TOTAL ASSETS	**$11,244,720**	**$11,341,985**

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FY 2006

Balance Sheet

	Monthly 2006 Actuals						
	Jan 06	Feb 06	Mar 06	Apr 06	May 06	Jun 06	Jul 06
LIABILITIES & EQUITY							
Accounts Payable							
Accounts Payable Trade	$413,288	$641,788	$950,278	$651,392	$1,150,184	$2,887,882	$3,934,684
Accounts Payable - Payroll Tax	-	-	-	-	-	-	1,294
Total Accounts Payable	$413,288	$641,788	$950,278	$651,392	$1,150,184	$2,887,882	$3,935,978
Total Other Current Liabilities							
Notes Payable - Current	$0	$2,000,000	$0	$0	$0	$230,418	$260,168
Accrued Vacation	18,645	26,753	37,096	48,741	61,236	76,647	98,964
Commissions Payable	-	-	-	-	-	-	110,833
Accrued Accounts Payable	20,480	17,800	130,000	177,278	-	2,000	16,550
Deferred Revenue	-	-	-	-	-	100,000	66,667
Total Other Current Liabilities	$39,125	$2,044,553	$167,096	$226,020	$61,236	$409,065	$553,182
Total Current Liabilities	**$452,412**	**$2,686,341**	**$1,117,374**	**$877,412**	**$1,211,420**	**$3,296,947**	**$4,489,159**
Notes Payable - LT	-	-	-	-	-	919,788	890,038
Total Liabilities	**$452,412**	**$2,686,341**	**$1,117,374**	**$877,412**	**$1,211,420**	**$4,216,735**	**$5,379,198**
Equity Series A							
Series A	$3,560,000	$3,560,000	$3,560,000	$3,560,000	$3,560,000	$3,560,000	$3,560,000
Series A Issuance Cost	(58,100)	(58,243)	(58,243)	(58,243)	(59,142)	(59,142)	(59,142)
Total Series A	$3,501,900	$3,501,757	$3,501,757	$3,501,757	$3,500,858	$3,500,858	$3,500,858
Equity Series B							
Series B	$0	$0	$8,000,000	$8,000,000	$8,000,000	$8,000,000	$8,000,000
Series B Issuance Cost	-	-	(35,000)	(73,637)	(78,086)	(78,086)	(78,086)
Total Series B	$0	$0	$7,965,000	$7,926,363	$7,921,914	$7,921,914	$7,921,914
Common Stock	$10,000	$10,000	$10,000	$10,000	$207,250	$207,250	$216,850
Retained Earnings	(757,849)	(757,849)	(757,849)	(757,849)	(757,849)	(757,849)	(757,849)
Net Income	(469,108)	(1,174,420)	(2,151,077)	(3,072,482)	(3,831,355)	(4,696,505)	(5,765,858)
Total Equity	$2,284,943	$1,579,488	$8,567,830	$7,607,789	$7,040,818	$6,175,669	$5,115,915
TOTAL LIABILITIES & EQUITY	**$2,737,355**	**$4,265,829**	**$9,685,204**	**$8,485,201**	**$8,252,238**	**$10,392,404**	**$10,495,113**

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FY 2006

Balance Sheet

	Aug 06	9/19/06
LIABILITIES & EQUITY		
Accounts Payable		
Accounts Payable Trade	$1,833,120	$1,975,344
Accounts Payable - Payroll Tax	3,180	3,180
Total Accounts Payable	$1,836,300	$1,978,524
Total Other Current Liabilities		
Notes Payable - Current	$1,024,562	$1,024,562
Accrued Vacation	113,411	113,411
Commissions Payable	221,666	221,666
Accrued Accounts Payable	21,550	3,100
Deferred Revenue	109,021	109,021
Total Other Current Liabilities	$1,490,209	$1,471,759
Total Current Liabilities	**$3,326,509**	**$3,450,283**
Notes Payable - LT	2,975,310	2,975,310
Total Liabilities	**$6,301,819**	**$6,425,593**
Equity Series A		
Series A	$3,560,000	$3,560,000
Series A Issuance Cost	(59,142)	(59,142)
Total Series A	$3,500,858	$3,500,858
Equity Series B		
Series B	$8,000,000	$8,000,000
Series B Issuance Cost	(79,965)	(79,965)
Total Series B	$7,920,035	$7,920,035
Common Stock	$268,850	$268,850
Retained Earnings	(757,849)	(757,849)
Net Income	(5,988,994)	(6,015,503)
Total Equity	$4,942,901	$4,916,392
TOTAL LIABILITIES & EQUITY	**$11,244,720**	**$11,341,985**

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